

1 Robert D. Wyatt, Esq.
2 Eileen M. Nottoli, Esq.
3 BEVERIDGE & DIAMOND
4 One Sansome Street
5 Suite No. 3400
6 San Francisco, California 94104

7 Attorneys for Respondent
8 Catalina Yachts, Inc.

9 UNITED STATES
10 ENVIRONMENTAL PROTECTION AGENCY
11 REGION IX
12 75 HAWTHORNE STREET
13 SAN FRANCISCO, CA 94105

14 In the matter of:) Docket No. EPCRA 09-94-0015
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16 CATALINA YACHTS, INC.)
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20 Respondent)
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101 DECLARATION

102 I, Gerard Douglas do declare as follows:

103 1. Since 1976, I have been employed by Catalina Yachts,
104 Inc. ("Catalina"). One of my responsibilities is managing
105 Catalina's compliance with environmental laws and regulations.
106 The following facts are within my personal knowledge and if
107 called as a witness I could competently testify with respect
108 thereto.

109 2. Catalina designs and constructs moderately priced
110 sail boats at its plant located at 21200 Victory Boulevard,
111 Woodland Hills, California. Catalina is a small family owned

1 corporation and currently has 255 employees at its Woodland
2 Hills Plant.

3 3. Resins that contain styrene are among materials used
4 to construct the sail boats. Acetone has historically been the
5 primary cleaning agent used to clean boat parts. Catalina used
6 resins which contained more than 25,000 pounds of styrene in
7 each year from 1988-1992 and used more than 10,000 pounds of
8 acetone in 1988 and 1989.

9 4. Catalina did not file SARA § 313 Form R reports for
10 styrene in 1988-92 and did not file Form R reports for its use
11 of acetone in 1988-89. The reason Catalina did not file Form R
12 reports is that the Company did not become aware of SARA § 313
13 Form R reporting requirements until a facility visit by an EPA
14 inspector in November of 1993.

15 5. There is no evidence that Catalina's delay in filing
16 Form R Reports for acetone and styrene has caused any harm to
17 public health or the environment. There have been no
18 unauthorized releases of either material.

19 6. Significantly, on September 30, 1994, EPA proposed
20 de-listing acetone as a toxic chemical under SARA § 313. If
21 acetone is delisted as proposed, facilities would not be
22 required to file Form R reports for this material. EPA states
23 in its proposal that it is recommending the delisting because
24 EPA believes that acetone does not meet the listing criteria
25 for SARA § 313. EPA stated in the Federal Register that
26 "acetone cannot reasonably be anticipated to cause
27 '...significant adverse acute human health effects at

1 concentration levels that are reasonably likely to exist beyond
2 facility site boundaries as a result of continuous, or
3 frequently recurring releases'." 59 Fed. Reg. 49889 (September
4 30, 1994). A true and correct copy of EPA's proposed delisting
5 is attached hereto as Exhibit A.

6 7. At all relevant times, Catalina has performed public
7 disclosure and public outreach to the community within which
8 its Woodland Hills plant is located regarding the company's use
9 of styrene and acetone. The following actions were taken:

- 10 a. Catalina identified its use of resins containing
11 styrene and its use of acetone in its Business
12 Plan which was filed annually with the local
13 fire department for all years relevant to this
14 action. A copy of the filing made on February
15 20, 1989 is attached hereto as Exhibit B;
- 16 b. Catalina filed annual reports on its air
17 emissions with the South Coast Air Quality
18 Management District. These reports identified
19 the annual emissions of acetone and polyester
20 gel coat and resin. Copies of the 1988 and 1989
21 reports are attached hereto as Exhibits C and D;
- 22 c. Catalina filed a specific report on its styrene
23 emissions with the South Coast Air Quality
24 Management District on October 31, 1991. This
25 report is attached hereto as Exhibit E;
- 26 d. The South Coast Air Quality Management District
27 published several newspaper notices in the Los
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1 Angeles Times which identified Catalina as a
2 source of volatile organic emissions. Copies of
3 notices which appeared on January 7, 1988,
4 September 17, 1988, May 24, 1989, February 9,
5 1990, and April 10, 1991 are attached as Exhibit
6 F;

7 e. Catalina held an open house on April 6 and 7,
8 1991. Boat owners and community members were
9 invited by signs around the plant.

10 Approximately 1,000 people attended the open
11 house. Many members of the community attended
12 the open house and were given a tour of the
13 plant which fully described operations and the
14 nature of materials used in boat construction.
15 Photographs of the open house are attached
16 hereto as Exhibit G;

17 f. Catalina has met with the Woodland Hills Chamber
18 of Commerce on several occasions to discuss
19 Catalina's facility operations;

20 g. Catalina voluntarily initiated a program to find
21 a substitute for acetone to clean boat parts.
22 Significantly, Catalina was the first boat
23 builder to successfully find a substitute for
24 acetone and that success has resulted in
25 Catalina's dramatic decrease in the use of
26 acetone from over 10,000 gallons a year to less
27 than 100 gallons. Since that time, other boat
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1 builders around the country have followed
2 Catalina's initiative by adopting similar
3 programs. A true and correct copy of a letter
4 from our supplier of the substitute confirming
5 our success is attached hereto as Exhibit H.

6 8. Catalina had a profit of \$226,000 based on over
7 \$52,000,000 in sales in 1988. From 1989-1993, Catalina Yacht
8 operated at a loss, and the combined losses are almost
9 \$4,000,000.

10 9. Catalina had not been aware of the SARA § 313
11 reporting obligations until late 1993 when an EPA inspector
12 conducted a facility inspection of the Woodland Hills plant. I
13 do not recall receiving any information from any source on SARA
14 § 313 reporting obligations.

15 a. To the best of my knowledge, Catalina had not been
16 informed about SARA § 313 by any government agency
17 outreach efforts. I do not recall receiving any
18 mailing from EPA on the requirements of SARA § 313 in
19 the mid-late 1980's. I understand from EPA staff
20 that EPA Region IX used a mailing list based on
21 companies listed in Dun & Bradstreet in the mid to
22 late-1980's to initially inform companies about the
23 reporting requirements of SARA § 313. Catalina was
24 not listed by Dun & Bradstreet at that time.

25 b. I also had attended during the relevant time frame
26 several workshops on air emissions at the South Coast
27 Air Quality Management District. To the best of my
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1 knowledge no mention was made of SARA § 313 reporting
2 obligations at those workshops.

3 c. Up until 1988, Catalina prepared all required
4 environmental compliance reports. Since 1988,
5 because of the increased complexity to prepare the
6 expansive state and local reporting requirements and
7 the burden on a small business to prepare these
8 reports, Catalina hired an environmental consultant
9 to prepare environmental compliance reports. The
10 consultant reviewed the operations and did not
11 identify any SARA § 313 reporting requirements.

12 d. Catalina does not subscribe to the Federal Register
13 and only receives notices of Coast Guard regulations
14 relevant to small water craft.

15 e. Attached hereto as Exhibits I-J are copies of
16 Material Safety Data Sheets ("MSDSs") for acetone and
17 resins containing styrene used by Catalina. These
18 MSDSs either do not contain a reference to SARA § 313
19 or contain a statement that the chemical is subject
20 to the SARA § 313 reporting requirements but does not
21 state that the user may be subject to SARA § 313.

22 10. During the EPA inspection, Catalina fully cooperated
23 with the inspector and provided the inspector access to all
24 relevant records. Once Catalina learned about the SARA § 313
25 reporting obligations, it took timely action to cause all
26 required reports to be filed.

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1 I declare under penalty of perjury in accordance with the
2 laws of the State of California that the above declaration is
3 true and correct. Executed at Woodland Hills, California this
4 19th day of October 1994.

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8 DATED: October 19, 1994

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11 By: Gerard Douglas
Gerard Douglas

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David M. Jones, Esq.
Office of Regional Counsel RC-2-1
United States Environmental
Protection Agency
Region IX
75 Hawthorne Street
San Francisco, CA 94105

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